

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)	
NORTH SHELBY WATER COMPANY)	CASE NO. 94-306

O R D E R

On August 17, 1994, North Shelby Water Company ("North Shelby") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KAR 5:067.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. North Shelby purchases water from three suppliers, Shelbyville Municipal and Sewer Commission ("Shelbyville"), Louisville Water Company ("Louisville") and Frankfort Electric and Water Plant Board ("Frankfort").

2. Effective August 19, 1994, Shelbyville increased its rates for wholesale water from \$1.00 per 1,000 gallons to \$1.15 per 1,000 gallons. Louisville and Frankfort will not increase their rates at this time.

3. North Shelby proposed to increase the rates to its customers effective September 15, 1994.

4. During the 12 months ending July 1994, North Shelby purchased 119,932,320 gallons of water from Shelbyville, 71,414,000 gallons from Louisville and 134,164,000 gallons from Frankfort for a total of 325,510,320 gallons and sold 279,544,333 gallons.

5. North Shelby's calculations are correct and show an increase in purchased water cost of \$17,989.84, resulting in a purchased water adjustment of 6 cents per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, the average bill of North Shelby's customers would increase 30 cents from \$23.14 to \$23.44 or 1 percent.

6. The purchased water adjustment of 6 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of 6 cents per 1,000 gallons and the rates in Appendix A are hereby approved for services rendered on and after September 15, 1994.

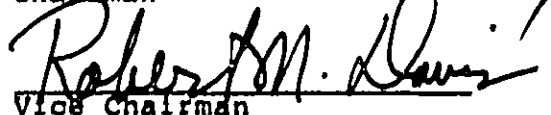
2. North Shelby's proposed tariff is approved.

3. Within 30 days of the date of this Order, North Shelby shall file verification that the notice to its customers has been given.

Done at Frankfort, Kentucky, this 31st day of August, 1994.

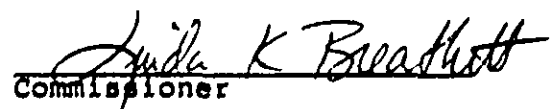
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 94-306 DATED August 31, 1994

The following rates and charges are prescribed for the customers in the area served by North Shelby Water Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Rates:

5/8 x 3/4 Inch Meter

First 2,000 gallons per month (minimum bill)	\$ 10.72
Next 3,000 gallons per month per 1,000 gallons	4.24
Next 5,000 gallons per month per 1,000 gallons	3.12
Next 40,000 gallons per month per 1,000 gallons	2.56
Over 50,000 gallons per month per 1,000 gallons	2.00

1 Inch Meter

First 5,000 gallons per month (minimum bill)	23.44
Next 5,000 gallons per month per 1,000 gallons	3.12
Next 40,000 gallons per month per 1,000 gallons	2.56
Over 50,000 gallons per month per 1,000 gallons	2.00

1 1/2 Inch Meter

First 10,000 gallons per month (minimum bill)	39.04
Next 40,000 gallons per month per 1,000 gallons	2.56
Over 50,000 gallons per month per 1,000 gallons	2.00

2 Inch Meter

First 15,000 gallons per month (minimum bill)	51.84
Next 35,000 gallons per month per 1,000 gallons	2.56
Over 50,000 gallons per month per 1,000 gallons	2.00

3 Inch Meter

First 35,000 gallons per month (minimum bill)	103.04
Next 15,000 gallons per month per 1,000 gallons	2.56
Next 50,000 gallons per month per 1,000 gallons	2.00